

GENERAL LIABILITY TRUST FUND
Underwriting Revenues and Expenses
Other Revenues and Expenses
Ten Year Income Summary

	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92
<u>UNDERWRITING REVENUES:</u>										
Earned Premium	7,369,736	7,363,084	7,269,520	7,606,156	5,862,140	4,748,927	1,167,261	4,177,072	3,921,748	3,755,869
<u>UNDERWRITING EXPENSES:</u>										
Losses and Adjustments										
Loss Expenses	3,413,072	2,589,829	3,620,757	1,094,727	800,676	1,396,225	2,268,215	2,579,450	1,183,047	3,459,127
Adjustment Expenses	1,756,478	1,202,739	1,186,688	1,042,305	1,435,956	1,427,689	1,355,921	551,743	436,666	752,765
IBNR Expenses	1,649,106	(1,196,798)	(1,552,032)	3,126,985	(2,369,714)	(1,774,586)	(3,221,021)	5,039,521		
Total Losses Incurred	6,818,656	2,595,770	3,255,412	5,264,017	(133,082)	1,049,328	403,115	8,170,714	1,619,713	4,211,892
Less Recoveries - Prior Year	2,386	1,843	150	170,977	481,920	4,397				
Net Claims	6,816,270	2,593,927	3,255,262	5,093,040	(615,002)	1,044,931	403,115	8,170,714	1,619,713	4,211,892
Reinsurance Premium - Liability	517,667	454,667	334,950	374,900	437,761	456,833	610,000	586,932	476,019	410,250
Reinsurance Premium - Automobile	1,340,280	2,389,277	1,944,327	2,288,064	2,115,174	2,264,212	2,234,467	2,475,996	1,588,305	
Actuarial Services	9,985	9,500	4,988	19,040	35,994	5,700	6,620	20,000	36,000	
Professional Services-non claim		12,838								
Administrative Expenses	400,143	474,285	536,187	559,106	551,644	414,536	538,396	581,414	467,517	275,823
Net Underwriting Expenses	9,084,345	5,934,494	6,075,714	8,334,150	2,525,571	4,186,212	3,792,598	11,835,056	4,187,554	4,897,965
Net Underwriting Revenues	(1,714,609)	1,428,590	1,193,806	(727,994)	3,336,569	562,715	(2,625,337)	(7,657,984)	(265,806)	(1,142,096)
<u>OTHER REVENUES:</u>										
Investment Income	1,665,939	590,281	945,845	1,252,740	1,067,478	947,572	1,141,368	1,351,007	1,787,069	1,705,097
Other Income		450								
Net Other Revenues	1,665,939	590,731	945,845	1,252,740	1,067,478	947,572	1,141,368	1,351,007	1,787,069	1,705,097
REVENUES Before Transfers	(48,670)	2,019,321	2,139,651	524,746	4,404,047	1,510,287	(1,483,969)	(6,306,977)	1,521,263	563,001
Appropriation from General Fund										
Transfers-In from Other State Funds								18,910		
Transfers-Out to General Fund										
NET REVENUES	(48,670)	2,019,321	2,139,651	524,746	4,404,047	1,510,287	(1,483,969)	(6,288,067)	1,521,263	563,001

GENERAL LIABILITY TRUST FUND

NOTES TO FINANCIAL STATEMENTS

Refund of Automobile Reinsurance Premium

A partial refund of the automobile premium is to be received in accordance with the contract agreement when the loss experience is favorable. There is no penalty for unfavorable experience.

Fund Balance

A Fund Balance is required in accordance with actuarial studies to protect the financial integrity of the Fund. A reserved balance is maintained to pay future losses.

GENERAL LIABILITY TRUST FUND
NOTES TO FINANCIAL STATEMENTS - Continued

Loss Liabilities and Expenses

Loss liabilities and expense reserving is required by the Governmental Accounting Standards Board - Statement Number Ten, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues." Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary.

Unpaid Reported Claims Liabilities:	<u>2001</u>	<u>2000</u>
Unpaid claims and adjustment expenses at beginning of year	\$4,459,466	\$3,594,582
Incurred Claims and Adjustment Expenses:		
Provision for insured events of the current year	775,433	448,661
Increase (Decrease) in provision for insured events of prior years	4,394,117	3,343,907
Total incurred claims and adjustment expenses	5,169,550	3,792,568
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	15,193	447,824
Claims and adjustment expenses attributable to insured events of prior years	3,896,814	2,479,860
Total Payments	3,912,007	2,927,684
Total unpaid claims and adjustment expenses at end of year	5,717,009	4,459,466
Incurred But Not Reported (IBNR):		
Incurred but not reported at beginning of year	9,370,605	10,567,403
Increase (Decrease) in incurred but not reported	1,649,106	(1,196,798)
Incurred but not reported at end of year	11,019,711	9,370,605
Total Unpaid Reported Claims Liabilities and IBNR at end of year	<u>\$16,736,720</u>	<u>\$13,830,071</u>

GENERAL LIABILITY TRUST FUND

Underwriting Expenditures (Claims and Expenses Paid) Ten Year History

Fiscal Year	TOTAL	<u>Policy Year of Claim</u>									
		2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
1992	21,371										21,371
1993	150,492									558	149,934
1994	1,015,328								8,863	521,907	484,558
1995	1,673,864							497,404	748,057	136,555	291,848
1996	2,578,483						1,017,947	150,787	185,638	705,291	518,820
1997	3,388,511					699,963	1,151,801	274,477	506,975	169,966	585,329
1998	2,402,813				633,503	551,999	843,314	243,575	104,871	25,552	
1999	4,226,025			2,196,683	433,117	985,520	259,215	74,661	276,752	77	
2000	2,927,684		447,824	2,006,961	208,899	230,981	9,364	17,823	5,595	237	
2001	3,912,007	15,193	166,918	3,399,725	20,358	90,613	80,161	46,572	91,414	1,053	

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND

INVESTMENT NOTES

Status - September 30, 2001

	<u>2001</u>	<u>2000</u>	<u>% Change</u>
Commercial Paper			
and Other Short Term Securities	\$4,721,117	\$3,504,769	34.7
U. S. Agency Securities	10,392,241	10,140,967	2.5
Total Investments	<u>\$15,113,359</u>	<u>\$13,645,736</u>	<u>10.8</u>

Investment Income	<u>\$1,089,787</u>	<u>\$398,637</u>	<u>173.4</u>
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STATE EMPLOYEE INJURY COMPENSATION TRUST FUND
BALANCE SHEET
UNAUDITED
AS OF SEPTEMBER 30, 2001

ASSETS	<u>FY 2001</u>	<u>FY 2000</u>	<u>FY 1999</u>
Cash and Cash Equivalents	\$601,577	\$1,201,436	\$788,559
Accounts Receivable - Premium	6	9	
Accrued Interest Receivable	218,141	213,087	206,959
Investments	15,113,359	13,645,736	12,400,937
Prepaid Reinsurance	75,530	72,938	80,250
Deposit with Claims Paying Agent	160,000	160,000	60,000
TOTAL Assets	\$16,168,613	\$15,293,206	\$13,536,705
LIABILITIES & FUND EQUITY			
Current Liabilities:			
Accounts Payable	\$40,250	\$8,207	\$42,780
Amounts Held for Others	212,000	212,000	212,000
Total Current Liabilities	252,250	220,207	254,780
Liabilities for Unpaid Claims:			
Unpaid Claims & Expenses	3,926,111	4,157,148	4,617,557
Claims Incurred But Not Reported	2,780,743	2,943,669	3,658,169
Total Claim Liabilities	6,706,854	7,100,817	8,275,726
TOTAL Liabilities	6,959,104	7,321,024	8,530,506
Fund Equity:			
Fund Balance	9,209,509	7,972,182	5,006,199
TOTAL Liabilities & Fund Equity	\$16,168,613	\$15,293,206	\$13,536,705

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND
STATEMENT OF REVENUE AND EXPENSES
UNAUDITED
SEPTEMBER 30, 2001

	<u>FY 2001</u>	<u>FY 2000</u>	<u>FY 1999</u>
REVENUES:			
Earned Premiums	\$2,933,760	\$2,898,427	\$2,856,421
Interest Income - Investments	1,089,787	398,637	325,680
Subrogation Recoveries	56,402	100,485	51,387
Prior Year Refund	52,813	182,097	30,037
Other Income - Administrative Fees	1,436,346	1,132,426	1,439,618
TOTAL REVENUES	\$5,569,108	\$4,712,072	\$4,703,143
EXPENSES:			
OPERATION:			
Loss and Adjustment Expenses	\$2,618,266	\$1,139,109	\$1,448,898
Incurred But Not Reported Expense	(162,926)	(714,500)	(788,048)
Reinsurance Expense	309,756	302,153	344,663
Legal Claims - Non Damages			22,793
Actuarial Services	19,385	19,020	16,339
Professional Services	1,671,071	1,118,084	929,762
Total Operation	4,455,553	1,863,866	1,974,407
ADMINISTRATION:			
Personnel Salaries	251,131	223,845	283,949
Employee Benefits	55,541	50,201	53,477
Travel In-State	1,499	2,315	2,710
Travel Out-of-State		1,133	2,802
Repairs and Maintenance	12,418	22,889	13,623
Rentals and Leases	2,242	3,756	45,114
Utilities and Communication	38,000	26,264	26,577
Professional Services - Non-Claim	114,771	54,762	134,499
Supplies, Materials & Operating Expense	39,092	49,087	47,542
Transportation Equipment Operations	200	197	3,640
Total Administration	514,894	434,449	613,933
TOTAL EXPENSES	4,970,447	2,298,315	2,588,340
NET REVENUES	\$598,662	\$2,413,757	\$2,114,803

STATE EMPLOYEE INJURY COMPENSATION TRUST FUND

NOTES TO FINANCIAL STATEMENTS

Deposit with Claims Paying Agent

A contract was entered into with Sedgwick CMS to handle claims administration, pay indemnity benefits, medical co-pays and deductibles to eligible state employees, and reimburse state agencies for the employer's portion of health insurance and retirement.

Fund Balance (Unfunded Liability)

A Fund Balance is required in accordance with actuarial studies to protect the financial integrity of the Fund. A reserved balance is maintained to pay future losses.